WHAT IS CLAIMED IS:

1. A process for manufacturing powder coatings comprising:

A) feeding starting materials to an extruder;

B) shear mixing the starting materials at ambient temperature in a first portion of the extruder; and

C) melt mixing the material from step B in a second portion of the extruder so as to achieve a melt mix.

2. The process of Claim 1 further comprising:

D) cooling the melt mix of step C in a third portion of the extruder.

3. The process of Claim 1, wherein the first portion forms about 25% to about 40% of the length of the extruder.

4. The process of Claim 1, wherein the second portion forms about 25% to about 40% of the length of the extruder.

5. The process of Claim 2, wherein the third portion forms about 25% to 40% of the length of the extruder.

6. The process of Claim 2, wherein the melt mix is cooled by a temperature of about 10°C to 35°C prior to exiting the extruder.

7. The process of Claim 1, wherein the powder coating is a thermosetting powder coating.

8. The process of Claim 1, wherein the material of step B is melt mixed at a temperature of about 70°C to 150°C.

9. An extrusion process for manufacturing powder coating compositions from starting materials, wherein the extruder is divided into three portions, an initial ambient portion, an intermediate heated portion, and a final cooled portion.

10. The extrusion process of Claim 9, wherein the heated portion of the extruder forms about 35% to about 40% of the length of the extruder.

11. The extrusion process of Claim 9, wherein the ambient portion of the extruder forms about 25% to about 32% of the length of the extruder.

12. The extrusion process of Claim 9, wherein the heated portion of the extruder heats the starting materials to a temperature 40°C to 140°C higher than the temperature of the starting materials in the initial, ambient portion.

13. The process of Claim 1, wherein the melt mix is subjected to focused heating.

14. The process of Claim 13, wherein the focused heating comprises heating the shear mix to a temperature of 70°C to 150°C for 1 to 30 seconds.